

## THE WOODLANDS TOWNSHIP

The Woodlands, TX

## **EXECUTIVE SUMMARY**

MEETING DATE: July 28, 2010

**SUBJECT MATTER:** Property and Liability Insurance

**BUDGET IMPACT:** August 1, 2010 – July 31, 2011 Premium Cost: \$747,285

**FACTS/HISTORY:** 

A detailed inventory of all assets owned by The Woodlands Township is ongoing and will be completed, in conjunction with a reserve study and the implementation of a new fixed assets management system, by the end of the first quarter 2011. Until such inventory is completed, it was determined by staff and the Township's current insurance providers that the most efficient way to maintain adequate insurance protection for property loss or liability claims would be to renew premiums with the current providers. Therefore, assets previously owned by the Community Associations of The Woodlands or The Woodlands Fire Department and transitioned to the Township will continue for the short-term to be insured by Willis HRH. Assets owned by the Township prior to the January 1, 2010 transition date as well as assets acquired subsequent to that date will continue to be insured for the short-term by the Texas Municipal League (TML), whose policies renew on October 1, 2010. Upon completion of the project outlined above, insurance coverage for all Township assets will be bid. Both Willis HRH and TML will refund the prorated share of premiums paid but unused at the date on which a new insurance contract is executed.

The subject of this agenda item is the renewal of insurance for coverage currently held by Willis HRH. Willis sought quotes from multiple carriers for each type of insurance category and has recommended renewals based on the lowest quote received. A summary follows:

Coverage	Carrier	2009-2010	2010-2011	\$ Change	% Change
Property	Philadelphia	\$225,569	\$237,283	\$11,714	5.2%
Prop/Liability- WFD	VFIS	\$172,487	\$183,004	\$10,517	6.1%
General Liability	Ace American	\$139,238	\$150,527	\$11,289	8.1%
Automobile	Ace American	\$56,715	\$56,746	\$31	-
Electronic Equipment	Ace American	\$44, 356	\$49,942	\$5,586	12.6%
Commercial Umbrella	Crum & Forester	\$66,300	\$64,500	(\$1,800)	-2.7%
Fiduciary Liability	Travelers	\$5,283	\$5,283	\$0	-
Total		\$709,948	\$747,285	\$37,337	5.2%

Willis HRH has served as the Community Associations' and the Fire Department's insurance broker for over ten years and has provided excellent service. The firm is a publicly held brokerage group traded on the New York Stock Exchange. With more than 200 offices in North America, Willis HRH is the 3<sup>rd</sup> largest broker in the United States and the 3<sup>rd</sup> largest in the world.

## **RECOMMENDED BOARD ACTION:**

Authorize the President/General Manager to execute property and liability insurance contracts with Willis HRH and the specified carriers in the total amount of \$747,285.